

6 August, 2011

Ms. Marlene Dortch, Secretary
Federal Communications Commission
445 12th St SW
Washington, DC 20554

Re: GN Docket No. 09-51: A National Broadband Plan for Our Future
WC Docket 05-25: Special Access Rates for Price Cap Local Exchange Carriers
GN Docket No. 09-137: Advanced Telecommunications Deployment
WC Docket No. 10-90: Connect America Fund
WC Docket No. 07-135: Establishing Just and Reasonable Rates for Local
Exchange Carriers
WC Docket No. 05-337: High-Cost Universal Service Support
WC Docket No. 03-109: Lifeline and Link-Up

Ms. Dortch:

This letter is to advise you that I spoke by telephone on Friday, August 5, 2011 with Zachary Katz of the Chairman's office to discuss issues related to the abovementioned dockets.

I first noted that the FCC's *Further Inquiry*, dated August 3, 2011 (DA 11-1348), appeared to signal that the FCC was considering adopting the recommendations in three proposed "plans" for a USF/CAF transition. I noted that none of these three plans were fair to, much less favorable to, terrestrial fixed wireless Internet service providers (WISPs) – despite the fact that WISPs have proven to be the most cost-effective way of reaching unserved residents – and that the Commission's citation of only these three plans in its *Further Inquiry* was therefore very worrisome to WISPs and their customers.

I also voiced concern that the Commission was even seriously considering the "right of first refusal" (ROFR) provision of the ILECs' ABC plan, which grants a monopoly on USF/CAF funding to any incumbent which serves a mere 35% of the population covered by a wire center. I pointed out that, in the rural areas which many WISPs serve, the ILEC covers the town in which the central office is located, thus easily meeting the 35% threshold. It would therefore be difficult to find a situation in any rural location where the adoption of such a provision would not grant the incumbent a right of first refusal for the entire coverage area of a central office. Noting that the FCC's own Technical Advisory Committee (TAC) had targeted the sunset of conventional telephone service for 2018, I likened any ROFR provision to the protection of buggy whip manufacturers in the age of automobiles and jet planes.

With respect to "carrier of last resort" (COLR) provisions, I noted that for broadband – unlike telephone service – there is already a ubiquitous carrier of last resort: satellite. There is therefore, in the case of broadband, neither a need for COLR obligations nor any reason to confer any preferences or special privileges upon any terrestrial carrier in exchange for incurring such obligations.

I reiterated my prior assertion, made also in my recently filed reply comments, that the fact that the Internet was a “bill and keep” system made it necessary for the telephone system, also, to move to “bill and keep” to prevent unavoidable market distortions and arbitrage.

I also reiterated my observation that the Commission’s failure to act on the issue of special access – despite the fact that action had been scheduled by the Commission for last year – would distort any competitive process by which USF/CAF funds would be allocated. Absent prompt action on this matter, ILECs could force competitors which relied upon special access lines for the “middle mile” connectivity to quote higher charges. This, in turn, would forestall competition and prevent ratepayers from getting the most and best service for the USF/CAF taxes which they paid with each bill. Mr. Katz noted that one commenter – the lobbying group Public Knowledge – had requested a provision requiring that USF/CAF recipients offer “interconnection,” and asked if this would be sufficient to allay concerns regarding special access. I pointed out that the Internet, unlike the telephone system, does not have “interconnection.” Rather, ISPs use special access lines – often over geographically diverse paths to provide redundancy – to connect to peering points where exchanges of traffic, with or without settlements, take place. I noted that the Commission had declined to make special provisions for special access in the case of the CenturyLink/Qwest merger. I recommended that the Commission issue a general Order in WC Docket 05-25 ending anticompetitive pricing of special access before issuing any order regarding the USF/CAF, rather than attempting to put a “Band-Aid” on the problem merely for the purpose of implementing the transition.

Finally, I noted that any provision requiring earnings reviews or rate-of-return regulation would needlessly impose an unbearable burden upon small, local, and independent ISPs.

Throughout the conversation, I emphasized the fact that WISPs, which are for the most part “pure play” ISPs, represent the future of communications and therefore must be treated as first class citizens in any rational or reasonable implementation of the CAF.

This letter is being filed electronically via the Commission's Electronic Comment Filing System as per Section 1.1206(b)(2) of the Commission's rules.

Sincerely,

A handwritten signature in black ink, appearing to read "Laurence Brett Glass". The signature is stylized with a large, looping initial 'L' and a cursive 'G'.

Laurence Brett ("Brett") Glass, d/b/a LARIAT
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